

SODA

SOUTHERN OKLAHOMA
DEVELOPMENT ASSOCIATION

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RURAL ECONOMIC ACTION PLAN

POLICIES AND PROCEDURES 2024



OKLAHOMA
RURAL ECONOMIC ACTION PLAN

reap

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REAP ELIGIBILITY REQUIREMENTS

The Southern Oklahoma Development Association (SODA) is a Regional Council of Governments (COG's) comprised of local governments voluntarily joining together to work on common interests for the greater economy of each entity and the benefit of all. The membership is made up of Atoka, Bryan, Carter, Coal, Garvin, Johnston, Love, Marshall, Murray, and Pontotoc Counties.

The Rural Economic Action Plan (REAP) program's purpose is to provide funding for projects to be performed only by counties, municipalities, and councils of government. The funds must be used for a public activity and cannot be used on private property or private business opportunities. All applications for projects in unincorporated areas must clearly indicate the submission to and approval by the county commissioner of that county. Counties must perform the project themselves through their purchasing procedures. They cannot simply transfer the funds to another entity for them to perform the project.

Eligible REAP projects must meet the following criteria:

- Must qualify as an "Eligible Applicant." An "Eligible Applicant" is a city or town, county or an unincorporated area with a population of 7,000 or less.
- Must submit an online application during the designated REAP application period.

Funds from the REAP account will be spent on projects as awarded by the SODA Board of Directors based on an evaluation of the needs of the entity requesting funding; considering growth, per capita income, population, fiscal capacity, and local effort. Additionally, the merit of the applications will be evaluated based on cost effectiveness, health, safety and economic impacts, the degree to which the proposed project meets legislative intent and regional objectives and the applicant's readiness to proceed.

Projects will include but are not limited to the following categories:

1. Rural water quality projects, including acquisition, treatment, distribution, and recovery of water for consumption by humans or animals or both.
2. Rural solid waste disposal, treatment, or similar projects.
3. Rural sanitary sewer construction or improvement project.
4. Rural road or street construction or improvements projects.
5. Provision of rural fire protection services and public safety services.
6. Expenditures designed to increase the employment level within the jurisdiction of the entity.
7. Provision of health care services, including emergency medical care, in rural areas.
8. Construction or improvement of telecommunication facilities or systems.
9. Improvement of municipal energy distribution systems.
10. Community buildings, courthouses, town halls, senior nutrition centers, meeting rooms or similar public facilities.

According to the enacted REAP legislation of House Bill 3291, at least 80% of any REAP funds distributed to an entity shall be expended for project activities described in categories 1 – 6. The remaining amount of any funds distributed may be expended on project activities or purposes described in categories seven through ten. The project categories and the types of projects listed under each category are not intended to be exhaustive but to provide examples for projects that can be funded under each category.

Procedures will be adopted by the SODA Board of Directors to be used to help select projects to be funded.

Criteria for Qualified REAP Projects

All projects will meet the approval criteria adopted by the SODA Board of Directors. In the review and consideration of the applications for financial assistance under the REAP programs, the SODA Board of Directors shall consider the following criteria for application approval:

1. Compliance with the law. The application and proposed project must be found to follow all applicable and relevant federal, state, and local laws and regulations, and the applicant must possess all necessary and incidental legal rights and privileges necessary for the project commencement and operation.
2. Eligibility. The applicant must be a qualified entity (or represented by SODA applying on behalf of a qualified entity) and the proposed project must be for a qualified purpose as defined in the REAP plan.
3. Local need, support, and priority. The project must be found to be needed in the area to be served and must be found to be sufficient, as proposed, to serve such needs. The SODA Board of Directors shall additionally consider the project's relevant benefit and priority in relation to the needs of other proposed projects and applicants. The SODA Board of Directors shall also consider the extent and degree of local support, interest, and commitment in the proposed project.
4. Availability of other assistance. The SODA Board of Directors shall consider the feasibility and availability of alternative sources of revenue which could be obtained and utilized by the applicant for project financing.
5. Economic feasibility. The SODA Board of Directors shall consider the overall apparent economic viability and feasibility of the project.
6. Project feasibility. The SODA Board of Directors shall consider from the engineering data (if required for the project) submitted and other sources available whether the proposed project appears feasible and serves the public interest and welfare.
7. REAP grant amounts and availability of funds. In reviewing a REAP project application the SODA Board of Directors shall take into consideration the current and anticipated availability of REAP program funds.
8. Criteria applicability. The general criteria set forth in this section are intended to constitute and shall constitute application guidelines and standards for review and consideration by the SODA Board of Directors. In all instances, each applicant and project must be reviewed and considered on its own individual merits.

The criteria and standards set forth in this section shall follow the law and accordingly, be interpreted and applied to allow sufficient flexibility in the ultimate exercise of the SODA Board of Directors' judgment and discretion.

Decisions of funding projects and amounts are at the sole discretion of the SODA Board of Directors. The SODA Board of Directors also reserves the right to modify these policies and procedures in whole or any part to comply with federal, state, and local laws and regulations. The SODA Board of Directors also reserves the right to modify these policies to meet current and future needs of the SODA area.

Verification of eligibility of each REAP application will occur with submission of an application for funding. SODA Community and Economic Development staff will review and verify the eligibility of each applicant and project.

If applying for fire equipment any non-compliant fire department as determined by Oklahoma Forestry Services guidelines applicant will not be eligible for REAP funds.

Applicants unable to supply the required documents will not be considered eligible.

The program guidelines and criteria specific to implementation of the SODA REAP Program which was recommended by the REAP Committee and adopted by the SODA Board of Directors are as follows:

Ineligible REAP Projects

Ineligible projects include activities not encompassed by the ten (10) eligible project categories and not meeting the statutory population thresholds enumerated previously including:

1. Consumable goods and office supplies.
2. Personnel costs.
3. Park projects including park maintenance equipment (except community centers and similar public facilities located in parks which are eligible. (See #10 above)
4. Fairgrounds projects (except community centers and similar public facilities located in fairgrounds which are eligible. (See #10 above)
5. Mowers and lawn maintenance equipment.
6. Veteran's Memorials.
7. Codification of Ordinances.
8. Capital Improvement Plans (CIP's).
9. Comprehensive (Land use) Plans.
10. Housing projects/programs (demolition, emergency repair, rehabilitation, construction), county maintenance barns or any other county wide or district wide projects for county commissioner districts with a population of 7,000 or greater.

All funds expended from the SODA REAP fund shall be made in the same manner as provided by law for the expenditure of other public funds and will be accounted for in the same manner as other public funds. Grantees in the CDBG-REAP program will also be required to comply with Oklahoma Department of Commerce (ODOC) CDBG grant policies and requirements such as low-moderate income benefit, Davis-Bacon wage rates and income surveys.

Funds distributed on behalf of unincorporated areas will be accounted for by the county requesting the funds and accounted for in the same manner as other public funds.

CDBG-REAP Projects

Criteria for the CDBG-REAP program are outlined in the ODOC CDBG-REAP Application Guidelines.

The general policies, program guidelines and criteria set forth above are intended to constitute general guidelines and standards for application, review, and consideration by SODA. These criteria shall not be deemed exclusive and in all instances each application and project must be reviewed and considered on its own individual merits.

The criteria and standards set forth shall accordingly be interpreted and applied to allow sufficient flexibility in the ultimate exercise of SODA's judgment and discretion. All projects that meet the guidelines of Oklahoma Statutes, Section 2008 of Title 62 will be reviewed and rated.

Grantees of the CDBG-REAP program will have contracts with both ODOC and SODA.

Decisions on funding projects and award amounts are at the sole discretion of SODA. The SODA Board of Directors also reserves the right to modify the REAP Plan and application guidelines in whole or any part to comply with federal, state, and local laws and regulations. The SODA Board of Directors also reserves the right to modify this plan to meet current and future needs of the entities it serves.

REAP FUNDING GUIDELINES

General Guidelines

1. With approval of funding each awardee will receive a contract to be signed and returned to SODA. An executed contract (approved and signed by all parties) constitutes a notice to proceed.
2. No project expenditure will be reimbursed that is incurred prior to execution of the REAP contract.
3. SODA will provide funding for the project up to the total contract amount. Amounts spent or obligated over the contract amount will be the sole responsibility of the entity.
4. SODA Community and Economic Development Department in conjunction with the SODA Accounting Department will review expenditure documents submitted for reimbursement assuring all documents are for the work and services provided in the project.
5. No portion of the funds may be used for any political activity or to further the election or defeat of any candidate for public office.
6. No portion of the funds may be used for lobbying activity.
7. No funds may be paid to any corporation, Limited Liability Company, partnership, proprietor, or other private entity except for services to be provided pursuant to an approved project.
8. No funds may be loaned to any corporation, limited company, partnership, proprietor, or other legal entity.
9. No funds may be used to pay any administrative expenses of the entity requesting the funds or any subcontractor, or any expenses of the contractor or subcontractor in preparation for this project.
10. No travel-related costs, including per diem, shall be paid from these funds.
11. No funds shall be used for any expense incurred either prior to or after the time specified. Funds shall not be used for any purpose other than those approved and agreed to by SODA.
12. Payment for products or services shall be made only after products have been provided or services rendered.
13. If the city or town receives less than \$50,000 in annual revenues from its normal business and does not have an audit or agreed upon procedure, the city or town can apply only by having the local county apply on their behalf if the county chooses to do so.
14. A city, town, county or other REAP eligible entity can only apply for only (1) one unit of equipment or vehicle per application.
15. Towns and cities (counties are exempt) that receive REAP funds must present town/city audits or agreed upon financial statements and accounting procedures as required by Oklahoma State Law.
16. A city or town can only have one (1) SODA REAP Contract or one (1) CDBG-REAP contract awarded to the entity at one time.
17. SODA management will have the authority to grant minor scope changes to funded projects without prior approval by the REAP Committee or the SODA Board of Directors.
18. No members or employees of any governing board of a REAP application may have any personal or financial interest, direct or indirect, nor shall acquire any such interest, that would conflict with

the full and complete execution of REAP funds. No person having any such interest will be employed by the REAP applicant.

General Procurement Guidelines

Procurement of goods and services and the management and disposition of personal property acquired with the contract funds shall be governed by the principles of the Oklahoma Central Purchasing Act, 74 O.S. 85.1 et seq. (see REAP Fiscal Policies and Procedures section).

Property and Equipment Retention

It is the requirement of the Oklahoma Department of Commerce (ODOC) that REAP property and equipment retention requirements on purchases of \$2,500 or greater, per item be placed upon entities receiving sub-grants. This will include the cost of the item – plus any installation costs, taxes, shipping, and handling. This is for the purchase of singular items not on multiple items paid for in common.

The REAP Fund has reciprocal interest in all property and/or equipment purchases for a period of seven (7) years, during which time if it is sold or salvaged, the proceeds shall be returned to the REAP Fund.

1. Entities may not sale, transfer or otherwise convey ownership of equipment or property without official approval of the SODA.
2. Other than the requirements cited herein, SODA is hereby absolved from any responsibility for said equipment or property including, but not limited to, maintenance, repair, and liability.
3. The entity awarded REAP funds to purchase property or equipment shall submit to SODA the project equipment purchase description, serial numbers, and/or VIN of such equipment as required on the REAP Project Completion form.

Property and Equipment Inventory Requirements

All REAP funded property and equipment with a usable life expectancy of more than one year shall comply with the following requirements:

1. SODA will maintain an inventory file of equipment purchased with REAP funds. The inventory file will include the description of the equipment, manufacturer's serial or other identification number, location of the item, original purchase price and statement of condition of each item.
2. A physical inventory of all equipment and non-expendable property purchases made with REAP contract funds shall be taken and the results reconciled with the equipment records once a year.
3. Equipment purchased by REAP funds must be maintained in working condition and the REAP awarded entity is responsible for any maintenance, damage, repairs, loss, or theft.
4. The REAP awarded entity shall maintain the up-to-date inventory with its contract files.
5. SODA will conduct an inventory every year of equipment over \$2,500.00 (see Appendix A – Inventory Template)

Record, Reports, Documentation and Audits

1. The entity shall maintain records and accounts, including property, personnel, and financial records, that properly document and account for all project funds. Some specific types of forms may be required by SODA.
2. The entity shall furnish SODA with narrative reports and financial reports related to this contract in the forms and at such times as may be required by SODA.
3. The entity shall retain all books, documents, papers, records, and other materials involving all activities and transactions related to said contract for at least seven (7) years from the submission of the Final Expenditure Report or until all audit findings have been resolved, whichever is later, or

as otherwise required by law. The entity shall, as SODA deems necessary, permit authorized representatives of SODA and representatives of the State of Oklahoma to have full access to and the right to fully examine all such material.

Project Closeout

Closeout of funded projects is not necessarily required prior to their contract expiration date to be eligible to apply for a new year's REAP funds. Application of grantees that have not completed projects in accordance with their contract expiration date will be considered but no funding on the new award funded may be expended until the old project is closed out. Applicants for a CDBG-REAP grant that have an open CDBG grant must submit closeout documents to ODOC in accordance with ODOC submission deadlines.

Closeout Terms

1. The entity shall promptly return to SODA any funds received under said contract that are returned to the entity because of rebates, discounts, or resulting from the return of goods purchased to vendors by the entity.
2. The entity shall submit closeout documents no later than sixty (60) days after the final date of the period funded or the completion of the project, whichever is sooner.
3. When actual expenditures total less than the contract amount, the contract shall automatically be de-obligated to the actual expenditures as shown in the closeout documents and such excess funds will be returned to the SODA REAP fund.

REAP Contract Terms and Provisions

The REAP contract along with the approved application constitutes the entire agreement between SODA and the entity, that it is final and complete. No evidence of alleged prior dealings, course of dealing or performance not specifically set out herein shall be deemed in any sense relevant to supply any unexpressed term, to supplement or qualify this contract or to add any stipulation or obligation different from or inconsistent with the express provisions of said contract.

If any provision under said contract or its application to any person or circumstance is held invalid by any court of competent jurisdiction, such invalidity does not affect any other provision of said contract or its application that can be given effect without the invalid provision or application.

Interpretation and Remedies

1. In the event the parties fail to agree on changes or interpretations of the contract, the decision of SODA shall prevail.
2. In the event of any disagreement between the entity and SODA relating to the technical competence of the work and services being performed and its conformity to the requirements of the contract the decision of SODA shall prevail.
3. Neither forbearance nor payment by SODA shall be construed to constitute waiver of any remedies for any default or breach by the entity that exists or occurs later.

Termination or Suspension

1. The said contract may be terminated or suspended in whole or in part at any time by written agreement of the parties.
2. The said contract may be terminated or suspended by SODA, in whole or in part, for cause, after notice and an opportunity for the entity to present reasons why such action should not be taken. Grounds for constituting cause include but are not limited to:

- a. Entity fails to comply with provisions of said contract or with any applicable laws, regulations, guidelines, or procedures, or is unduly dilatory in executing its commitments under said contract.
- b. Purposes for the funds have not been or will not be fulfilled or would be illegal to carry out.
- c. Entity has submitted incorrect or incomplete documentation pertaining to this contract.
- d. In the event of termination or suspension, the entity shall be entitled to payment for otherwise valid and allowable obligations incurred in good faith prior to notice of such action and to reimbursement for reasonable and necessary expenses. The entity shall reduce to the minimum possible all obligations, prepaid expenses, and other costs.
- e. The entity shall not be relieved of its liability to SODA for damages sustained by SODA by virtue of any breach of said contract. SODA may withhold payments due under this said contract pending resolution of the damages.

REAP Site Monitoring Process

SODA Community and Economic Development staff will conduct monitoring of all REAP projects (see Appendix B – REAP Monitoring Tool). A minimum of one-third of awarded REAP projects will be monitored on-site each year.

The following items will be reviewed:

1. How are REAP funds used by the REAP project recipient?
2. Have there been any project staff changes?
3. Is all close out documentation in place?
4. Are there any unresolved issues with the REAP grant or granting process?
5. Was the project successful and what are the results?

Equipment purchased with REAP funds will be verified including item, year purchased and inventory number annually for five years after close out.

REAP FISCAL POLICIES AND PROCEDURES

Financial System

SODA Community Development Department ensures the financial system used to administer ODOC Contracts conforms to the following standards:

1. Accurate, current, and complete disclosure of the financial results of the ODOC programs is provided in accordance with specified state requirements.
2. Records are maintained to adequately identify the source and application of funds for each ODOC supported activity.
3. Effective control and accountability are maintained for all funds, property, and other assets.
4. Accounting records are maintained with adequate supporting documentation.
5. Internal controls are established to eliminate fraud and abuse.

SODA Community Development Department may request an ODOC review of existing procedures to determine compliance with this entire requirement.

Accounting System Requirement

SODA Finance Department maintains a separate set of self-balancing accounts for each REAP contract in accordance with written procedures, which will permit SODA Finance Department to properly account for all funds in conformance with generally accepted accounting principles.

The following requirements apply:

1. Books of original entry are utilized to account for contract funds.
2. Accounting records include the invoices, statements, request for payments and general ledger.
3. Request for payments is submitted to SODA Finance Department, regardless of whether there are expenditures or not, are taken from the original books of account and are directly traceable to the general ledger expense accounts.
4. Any costs shared between programs are properly allocated. The method of allocation is a generally accepted method, reasonable and documented. An agency cost allocation plan is to be established.
5. Accounting records are posted and up to date.
6. All requests for payments are recorded in the status log regularly with the invoices, general ledger, and bank statements.
7. All general ledger entries are clearly traceable to appropriate source documentation.
8. Appropriate source documentation is defined as any approved original documents that clearly indicate costs allowable and allocable to the program. Examples of supporting documentation include requests for payments and copied invoices.
9. All paid invoices are defaced by indicating the check number, date paid and "PAID" on the invoice. The original request for payment, copied voucher and check shall be attached to the copied invoices before filing.
10. All supporting documentation is filed in an orderly manner in accordance with the SODA Finance Department written accounting procedures.
11. Accounting files include:
 - a. Originals of all requests for payment claims submitted to SODA.
 - b. All correspondence relating to financial management of the contract.
12. Correction fluid (whiteout, etc.) is not used to cover transpositions or other errors in the original books of account. A single line is drawn through the mistake or error and the correct figure is recorded in ink. This allows clear identification of the error. Errors found after the books are closed for any given month are corrected by general journal entry in the month the error is found. This also applies to electronic (computer software) accounting systems.
13. Bank statement reconciliations are performed monthly. The individual performing the reconciliation initials and dates it when complete.
14. Only appropriate staff have access to electronic signatures (OKGrant Management System).
15. Passwords - Phones, computers, etc. SODA Community Development Department ensures only appropriate staff have access to electronic signatures.

Internal Controls

SODA Finance Department has implemented the following controls to safeguard all funds and assets of the ODOC contract (see Appendix C – Internal Controls):

1. Incoming checks are stamped "For Deposit Only" by the person opening the mail and recorded in a receipts log that identifies the check number, amount, and source of funds.
2. Reimbursement Claims/Requests for Funds are submitted only by authorized agency personnel.

3. All invoices are approved for payment by authorized officials prior to payment. The authorizing official initials the SODA Finance Department request for payment form to indicate approval.

Cash Management

SODA Finance Department has implemented the following to ensure proper cash management of state funds:

1. ODOC funds cannot be placed in petty cash funds.
2. All ODOC funds received shall be promptly deposited in the proper bank account. SODA Finance Department has designated using an Electronic Funds Transfer Authorization form, the appropriate account to be used for any program utilizing electronic transfer of funds.
3. All requests for payment invoices are verified for accuracy. The reviewer's initials and dates of the invoice.
4. All checks paid with ODOC funds are pre-numbered.
5. All checks paid with ODOC funds are filled out before they are signed.
6. Voided checks are filed with copies of checks or other accounting documentation for accountability.

Allowable/Unallowable Costs

SODA Community and Economic Development Department ensures that all costs are properly accounted for in accordance with the following definitions:

1. Operation costs include any costs directly associated with the program activity.
2. The retention period can be longer based upon the advice of legal counsel or professional accountants or auditor.

Procurement Procedures

Procurement of goods and services and the management and disposition of personal property acquired with the contract funds shall be governed by the principles of the Oklahoma Central Purchasing Act, 74 O.S. 85.1 et seq. Title 74. State Government the Central Purchasing Act 74 O.S. §85.1 et seq. includes the Online Bidding Act, 74 O.S. 85.450 et seq., Statutes Related to the State Use Committee and Other State Procurement Statutes (Includes laws through 54th Legislature, 1st Session).

The procurement process for the entity shall be written and conformed with the Oklahoma Central Purchasing Act. The procurement process shall include, at a minimum, the following standards:

1. Assurance that all procurement transactions shall be conducted in a manner to provide, to the maximum extent practicable, open, and free competition.
2. Positive efforts shall be made to utilize small, and minority owned businesses.
3. Contracts shall be made only with responsible bidders/vendors who possess the potential ability to perform successfully under the terms and conditions of the proposed procurement.

Small Purchase Procedures (for purchases less than (\$25,000)

Small purchases shall be exempt from the advertised process. Contractors shall conduct purchasing procedures in a manner to provide, to the maximum extent practical, open, and free competition. Some form of cost or price analysis shall be made and documented in all procurement files. Small purchase procedures are as follows:

1. Purchases under \$5,000 -Informal price comparison.
2. Purchases \$5,001 - \$15,000 -Three telephone bids.
3. Purchases \$15,001 - \$25,000 -Three or more written price quotations.

Advertised Procurement (for purchases of \$25,000 or more)

Procurement records shall include bid selection or rejection and the basis for the cost or price. All documents must be retained in the contractor's files.

An advertised procurement shall follow these steps:

1. Specifications: Prior to advertisement for bids, the specifications should be completed in the form of a bid packet containing the following components:
 - a. A clear, accurate description of the product or service being procured.
 - b. All requirements the bidder must fulfill in order for the bid to be evaluated.
 - c. Evaluation criteria used to determine the successful bidder.
2. Solicitation: A notice is to be advertised and distributed as follows:
 - a. Provision of a notice to all known prospective bidders via first-class mail at least twenty (20) days prior to the scheduled bid opening; and
 - b. Publication in two (2) consecutive weekly issues of a general circulation newspaper. The first publication must be at least twenty (20) days prior to the date set for opening bids.
3. Selection:
 - a. All factors relevant to the procurement shall be included in the bid packet so the selection can be made from those bids that are responsive to the solicitation and awarded to the lowest responsive and responsible bidder.
 - b. There must be two (2) or more responsive and responsible bids. When only one (1) responsive and responsible bid (single source) is received and all good faith efforts to solicit and maximize the number of bidders has been accomplished, documentation of all solicitation efforts must be maintained in contractor files. Contractors shall ensure that the identified market is large enough to solicit responses from enough responsible bidders to create competitive offers/prices.
 - c. The procurement must lend itself to a firm, fixed-price contract so the selection can be made principally on price.
 - d. Bids must be opened at a public open meeting. During the solicitation, it is advisable to note the date, time, and location of the bid opening.
 - e. Once the bidder submits a price, the dollar value is not subject to any type of negotiation or change.
4. Documentation:
 - a. All solicitation efforts must be documented in the recipient files and should include items such as dated newspaper clippings.
 - b. Files must contain a copy of specifications and evaluation criteria, including evaluation criteria forms completed for each bid.
 - c. If other than the lowest responsive bid is selected, the contractor must document reason for selection in procurement records.

Sole Source Procurement

Sole source occurs when goods, materials, or services are available from only one source. All sole source procurements of \$5,000 or more must be approved in advance and in writing by SODA. The contractor shall submit a written request to utilize sole source procurement, provide a brief description of the goods or services to be procured and justification for the sole source procurement.

REAP APPLICATION AND AWARD PROCEDURES

General Award Procedures

Upon receipt of a contract from the Oklahoma Department of Commerce (ODOC), SODA Community and Economic Development Department will announce the availability of funding to all eligible entities in the SODA service area.

Entities wishing to apply for REAP funding are encouraged to attend a REAP Workshop conducted by SODA Community and Economic Development Department. The workshop will provide a demonstration of the online application and review the scoring criteria for REAP grants.

After the application deadline date, a SODA Community and Economic Development staff REAP Committee will be established. This Committee will review all the applications, assure completeness, and score the application. The Committee recommendations will be presented to the SODA Board of Directors Standing REAP Committee for final review.

The SODA Board of Directors REAP Committee will submit a list of recommended grant applications and award amounts for final approval to the SODA Board of Directors. The SODA Board of Directors may request additional information, change, or accept the SODA Board of Directors REAP Committee recommendations.

Award amounts to individual projects will vary depending on maximum grant amount, funding available, number of applications and applicant's history on utilization of funds.

Application Guidelines

1. All applications must have approval of the governmental entity submitting the project.
2. There will be no pre-determined geographic allocation of funds. All projects will be ranked against each other on a region-wide basis. Except for the pre-established need and population criteria utilizing available data, the applications will be ranked relative to each other.
3. The cut-off date for the application cycle will be set annually by SODA to allow sufficient time for potential applicants to submit project applications. Jurisdictions and entities may submit only one project per year.
4. Counties may submit one application per county district. REAP awards to counties will be for all, one-half, or one-third of the maximum award based on the number of districts in the county submitting a valid REAP application.
5. CDBG-REAP awards are supplemented by approximately \$136,000 in CDBG funds. CDBG-REAP applications must also be eligible for a CDBG grant.
6. Applications, which were unfunded from previous years, may be re-submitted for consideration. No municipalities or sponsored entities with projects that are three years old or older will be allowed to apply.
7. The maximum award for a REAP grant is based on the Oklahoma legislative appropriation to REAP and will be determined by or before June 30 and posted on the SODA REAP website at reap.soda-ok.org.
8. No matching funds will be required. Applicants may choose to provide local project support in the form of funding, labor and /or materials to demonstrate evidence of their commitment to the project.
9. Construction projects must be located on property owned by the applicant.

Applicants for the ODOC CDBG-REAP program should refer to the ODOC Application Guidelines for program requirements.

Submitting an Application

1. REAP applications will open each year on June 1 at 8:00 A.M and close July 31 @ 3 P.M. but may change slightly each year to allow for maximum time to submit application documentation. The closing date will be posted on our application website.
2. Applications must be completed and accepted on the application website. Upon acceptance of the application, the applicant will sign the Signature Page and upload all required documentation. The applicant will sign the application and either mail it to SODA or hand deliver it with all documentation listed.
3. The Community and Economic Development staff check application submissions from time to time to ensure that all documentation has been received prior to the closing date.
4. After the application closing date, a working application list is generated and the CED Director prepares a detailed list of all valid applications to submit to the Internal REAP Committee (IRC).
5. The IRC is comprised of the SODA Executive Director, the CED Director, the Fire Defense Coordinator and other CED staff as assigned by the CED Director. Each member of the IRC will individually review the applications and assign up to 40 "Project Significance" points per application based on a project's growth potential, impact on existing projects and the need for the project.
6. The CED Director prepares a detailed list of applications with Project Significance points assigned for the SODA Board of Directors REAP Committee.
7. The SODA Board REAP Committee reviews the applications and determines which projects will be presented to the SODA Board of Directors for consideration for funding. The SODA Board REAP Committee consists of the Board President, the Vice-President, Secretary-Treasurer, other board members voted in by SODA Board of Directors and SODA staff assigned by the Executive Director.
8. The SODA Board REAP Committee presents projects to the SODA Board of Directors at a regular board meeting. The SODA Board of Directors can make any changes to the projects deemed necessary before approval for funding.

Awards

1. The REAP Coordinator submits a list of the SODA Board approved projects to the ODOC (Oklahoma Department of Commerce) website.
2. Upon approval from ODOC, SODA will send out award letters with contracts to be signed and returned to SODA. Projects not approved will receive a "Not Funded" letter and a review of its scores.
3. When the contract is returned to SODA and has been executed by the SODA Executive Director, a copy will be mailed back to the entity along with a project Funds Request, copy of close out paperwork and an award letter. The entity may now start the project.

Submitting REAP Claims

1. Entities can request funds at the completion of the project or as they expend funds on the REAP project. Entities must send copies of approved purchase orders and invoices and a signed request for funds to SODA for reimbursement. SODA will pay out contract funds from quotes, but the entities must expend the funds within 90 days or return unused funds to SODA.

2. Entities must provide copies of cleared checks “front and back” used for the grant. They must also provide a completed close-out document for each project.

CDBG/REAP Applications

CDBG/REAP applications will open each year on August 1 at 8:00 a.m. The closing date will be September 30th at 3 p.m. and is posted on the application website.

1. The first step in making an application for a CDBG/REAP grant is to submit a REAP application online.
2. The same procedure for submitting a REAP grant application applies to CDBG/REAP.
3. CDBG grant application policies and procedures also apply to a CDBG/REAP project. Before submitting the REAP application, applicants should speak with SODA CED staff to ensure that their proposed project is a substantial project, and that the applicant is eligible for CDBG funding.
4. CDBG/REAP applications follow the same procedure for approval as do REAP grant applications.
5. The awarded CDBG/REAP application must also submit a CDBG application by the end of February and CDBG/REAP. The CDBG/REAP project is generally fully funded in the Fall.

SODA

**SOUTHERN OKLAHOMA
DEVELOPMENT ASSOCIATION**

RURAL ECONOMIC ACTION PLAN (REAP) REAP POLICIES AND PROCEDURES ATTESTATION

As the authorized representative, I, Kristi McElroy, President/Chairman of the SODA Board of Directors, hereby certify that I am the elected or appointed official of Southern Oklahoma Development Association Board of Directors.

I hereby certify that these REAP Policies and Procedures have been approved by the SODA Board of Directors and the persons named below have participated in the development and implementation of these REAP Policies and Procedures.

This certification is effective as of the date shown below and shall remain in effect until revised or canceled by the entity.

Signatures of Authorized Representatives

<u>Kristi McElroy, (SODA President/Chairman)</u> Name and Title (SODA President)	<u></u> Signature
<u>Steven C. Mills, Executive Director</u> Name and Title (Contact Person)	<u></u> Signature
<u>Pat Jones, CED Director</u> Name and Title	<u></u> Signature

Signed and sworn this 8th day of December, 2023.

(SEAL)

APPENDIX A – INVENTORY TEMPLATE

REAP Inventory List								
Contractor Name:						Date of Last Review:		
Purchase Date	Source of Funding <i>(REAP, Contract #, &</i>	Description of Item	Serial or Model No.	Original Purchase Price	Location	Statement of Condition	Current Use or Disposition	
1								
2								
3								
4								
5								
6								
7								
8								
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APPENDIX B – REAP MONITORING TOOL

A. MONITORING PURPOSE	Yes	No	N/A	Comments/Action Needed
What is the basis for this Monitoring Occurrence?				Close Out of Grant
CLOSE OUT OF GRANT				
Annual Contract Performance				
File Monitoring				
Other (Explain)				
Are there unresolved problems from a prior Monitoring Occurrence?				
To tag Assets. (Must be put on SODA REAP Asset listing and a picture for the Contract file and the REAP Asset file)				
Note: All REAP Contract files must have a File Monitoring done at close-out. Any item in the REAP Asset File must have a picture in the Grant file and in the REAP Asset file.				
B. PROGRAM MANAGEMENT	Yes	No	N/A	Comments/Action Needed
1. Does REAP File have the original completed application packet? (Back Tab)				
2. Is there a copy of the Resolution on top? (Back Tab)				
3. Is there a copy of the project budget in the file? (3rd tab from back)				
4. Is this a construction project? If so, is there copy of the property deed in file? (4th tab from back)				
5. Is there a copy of the REAP Award Letter? (1st tab in front)				
6. Is the executed contract, Part 1, Part 2 and REAP Contract Budget in file? (2nd tab from front)				
7. Was there an extension given on the grant? (Copy in front of contract on 2nd tab from front)				
8. Was there a project change given on the grant? (Copy in front of contract on 2nd tab from front)				
9. Are there before pictures of the REAP project in the REAP file? (Under Resolution on back tab)				
10. Are there after pictures of the REAP project in the REAP file? (2nd tab from back on top of SODA checks)				
11. Is there a copy of the SODA REAP Closeout Form in the REAP file? (1st tab in front)				
C. FINANCIAL (2 nd Tab from Back)	Yes	No	N/A	Comments/Action Needed
Amount expended as of last processed Request for Payment Report				

Balance remaining as of last processed Request for Payment Report				
1. Is there a copy of the check SODA issued to entity in the file?				
2. Is there a copy of the SODA invoice used to make a payment on the grant in file?				
3. Is there copy of the Project Ledger in the file?				
4. Are there Request for Funds, signed by authorized official and SODA employees, in the grant file?				
5. Are there copies of front and back of cancelled checks in file?				
6. Are there copies of signed Purchase Orders for all REAP Claims in REAP File?				
6. Is there copies of invoices, ticket and signed Match Form in file?				
7. If equipment (listed in the REAP Asset File) is there a picture in file?				
D. REAP Assessment				
1. What percentage of completion is the project or when was the REAP project finished?				
Confirm by sight, recent equipment purchases (added to inventory list?), repairs, or building upgrades if applicable.				
3. Did the REAP Recipient appear to be achieving or working towards the REAP Program Purpose?				
4. Has there been turnover of key personnel?				
E. Monitoring Findings				
F. Monitoring Concerns:				

Form completed by: _____ Date: _____

City/Town Representative: _____ Date: _____

APPENDIX C – INTERNAL CONTROLS

Administrative Staff - Internal Control Form								
<i>Verify the following:</i>								
* The person responsible for the approval of employee time sheets is not the same person responsible for payroll processing.								
* The person(s) responsible for signing checks is not also responsible for accounts payable/preparing checks or for the reconciliation of the checking account.								
* The person responsible for accounts payable and preparing vendor payment checks should not be responsible for the approval of them.								
* The person responsible for purchasing/accounts payable is not the same person who is responsible for acknowledging receipts of goods or services.								
* Someone other than bookkeeper should perform bank statement reconciliation on a monthly basis.								
Completed by: _____								
Employee Name:	Pat Jones	Michelle Powell	Chrstina Roan	Steve Mills	Brenda McCarty	SODA BOD	Pat Jones/Phil Powell	Joye Angel
Who Approves:								
Journal Entries								
Purchase Orders								
Travel Requests								
Vendor Invoices for Payments								
Employee Time Sheets								
Purchase Requisitions								
Who:								
Deposits Cash/Cash Receipts								
Signs Checks								
Opens Mail								
Reconciles Bank Statements								
Records Receipts in Book of Accounts								
Records Disbursements								
Is Responsible for Materials Inventory								
Is Responsible for Insurance Maintenance								
Is Responsible for Bldg./Property Issues								
Is Responsible for Equipment Inventory								
Is Responsible for Payroll Processing								
Is Responsible for Accounts Payable								
Who is Custodian of:								
Blank Checks								
Signature Stamps								
Undelivered Checks								
Inventory Records								
Personnel Records								
Agency Passwords								
Payroll Tax Reports								
Who Prepares:								
Accounts Payable/Vendor Pmt. Checks								
Payroll Process and Payroll Checks								
Bank Reconciliation								
Request for Funds								
Payroll Tax Reports								
Monthly Trial Balance								
Deposit Slips								
G/L Processing and Reconciliation								
Leave Records								
Year End Closing Entries								
Prepares Payroll Tax Records								
Prepares Monthly Expenditure Reports								